



DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

Grain Fees for Official Inspection and Weighing Services under the United States Grain Standards Act (USGSA)

[DOC. NO. AMS-FGIS-19-0107]

AGENCY: Agricultural Marketing Service, USDA

ACTION: Notice

SUMMARY: The Agricultural Marketing Service (AMS) is announcing the 2020 fee schedule for official inspection and weighing services performed under the USGSA, as amended, in order to comply with agency regulations and the Agriculture Reauthorizations Act of 2015. This action publishes the annual review of Schedule A fees calculation and the resulting fees.

DATE: The new fees went into effect on January 1, 2020.

ADDRESS: Prospective customers can find the fee scheduled posted on the Agency's public website.

FOR FURTHER INFORMATION CONTACT: Denise Ruggles, FGIS Executive Program Analyst, USDA AMS; Telephone: (816) 659-8406; Email: Denise.M.Ruggles@usda.gov.

SUPPLEMENTARY INFORMATION: The United States Grain Standards Act (USGSA) provides the Secretary of Agriculture with the authority to charge and collect reasonable fees to cover the costs of performing official services and the costs associated with managing the program. The regulations require that Federal Grain Inspection Service (FGIS) annually review the national tonnage fees, local tonnage fees, and fees for service. After calculating the tonnage fees according to the regulatory formula in 7 CFR 800.71(b)(1), FGIS then reviews the amount

of funds in the operating reserve at the end of the fiscal year (FY2019 in this case) to ensure that it has 4 ½ months of operating expenses as required by section 800.71(b)(2) of the regulations. If the operating reserve has more, or less than 4 ½ months of operating expenses, then FGIS must adjust all Schedule A fees. For each \$1,000,000, rounded down, that the operating reserve varies from the target of 4 ½ months, FGIS will adjust all Schedule A fees by 2 percent. If the operating reserve exceeds the target, all Schedule A fees will be reduced. If the operating reserve does not meet the target, all Schedule A fees will be increased. The maximum annual increase or decrease in fees is 5 percent (7 CFR § 800.71(b)(2)(i)-(ii)).

Tonnage fees for the 5-year rolling average tonnage were calculated on the previous 5 fiscal years 2015, 2016, 2017, 2018, and 2019. Tonnage fees consist of the national tonnage fee and local tonnage fee and are calculated and rounded to the nearest \$0.001 per metric ton. The tonnage fees are calculated as following:

National tonnage fee. The national tonnage fee is the national program administrative costs for the previous fiscal year divided by the average yearly tons of export grain officially inspected and/or weighed by delegated States and designated agencies, excluding land carrier shipments to Canada and Mexico, and outbound grain officially inspected and/or weighed by FGIS during the previous 5 fiscal years.

$$\text{National Tonnage Fee} = \frac{\text{FY2019 National Administrative Costs}}{\text{5 Year Rolling Average Export Tons}}$$

Fiscal Year	Metric Tons
2015	118,758,937
2016	122,330,979
2017	135,017,935
2018	129,687,652

2019	107,896,235
5-year Rolling Average	122,738,348

The national program administrative costs for fiscal year 2019 were \$6,836,376. The fiscal year 2020 national tonnage fee, prior to the operating reserve review, is calculated to be at \$0.056 per metric ton.

Local tonnage fee. The local tonnage fee is the field office administrative costs for the previous fiscal year divided by the average yearly tons of outbound grain officially inspected and/or weighed by the field office during the previous 5 fiscal years.

$$\text{Local Tonnage} = \frac{\text{FY2019 Field Office Administrative Costs}}{\text{5 Year Rolling Average Export Tons (Local)}}$$

The field offices fiscal year tons for the previous 5 fiscal years and calculated 5-year rolling average are as follows:

Field Office	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	5-year Rolling Average
New Orleans	65,244,517	66,077,535	70,439,862	66,996,126	57,807,378	65,313,084
League City	12,474,343	12,581,236	13,307,780	8,424,216	7,939,994	10,945,514
Portland	4,111,533	4,645,754	5,175,459	4,643,241	2,530,648	4,221,327
Toledo	2,484,604	2,030,506	2,229,920	1,802,762	1,597,584	2,029,075

The local field office administrative costs for fiscal year 2019 and the fiscal year 2020 calculated local field office tonnage fee, prior to the operating reserve review, are as follows:

Field Office	FY 2019 Local Administrative Costs	Calculated FY 2020 Local Tonnage Fee
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New Orleans	\$1,517,733	\$0.023
League City	\$755,374	\$0.069
Portland	\$329,221	\$0.078
Toledo	\$236,158	\$0.116

Operating reserve. In order to maintain an operating reserve not less than 3 and not more than 6 months, FGIS reviewed the value of the operating reserve at the end of FY2019 to ensure that an operating reserve of 4 ½ months is maintained.

The program operating reserve at the end of fiscal year 2019 was \$15,543,893 with a monthly operating expense of \$3,159,182. The target of 4.5 months of operating reserve is \$14,216,321. Therefore, the operating reserve is greater than 4.5 times the monthly operating expenses by \$1,327,572. For each \$1,000,000, rounded down, above the target level, all Schedule A fees must be reduced by 2 percent. The operating reserve is \$1.3 million above the target level resulting in a calculated 2 percent reduction, as required by 800.71(b)(2)(ii). Therefore, for 2020, FGIS is reducing all the 2019 Schedule A fees for service in Schedule A in paragraph (a)(1) by 2 percent. All Schedule A fees for service are rounded to the nearest \$0.10, except for fees based on tonnage or hundredweight. The fee Schedule A has been published on the agency's public website.

Authority: 7 U.S.C. 71–87k.

Dated: February 10, 2020

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Agricultural Marketing Service

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